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ORDINANCE NO. 2005-7

COUNTY OF HOPKINS, KENTUCKY

GENERAL OBLIGATION REFUNDING BONDS

(DETENTION FACILITY PROJECT)

SERIES 2005

DATED JUNE 1, 2005

COPY

*unsigned*

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ORDINANCE NO. \_\_\_\_\_

**ORDINANCE OF THE FISCAL COURT OF THE COUNTY OF HOPKINS, KENTUCKY, PROVIDING FOR THE ISSUANCE OF ITS COUNTY OF HOPKINS, KENTUCKY GENERAL OBLIGATION REFUNDING BONDS (DETENTION FACILITY PROJECT), SERIES 2005 FOR THE PURPOSE OF PROVIDING FUNDS NECESSARY TO PAY THE COSTS OF ADVANCE REFUNDING CERTAIN OUTSTANDING OBLIGATIONS OF THE COUNTY OF HOPKINS, KENTUCKY; SETTING FORTH THE TERMS AND CONDITIONS UPON WHICH THE SERIES 2005 BONDS ARE TO BE ISSUED AND OUTSTANDING; ORDERING AND PROVIDING FOR THE LEVY OF AN ANNUAL TAX, TO THE EXTENT NECESSARY, IN AN AMOUNT SUFFICIENT TO PAY THE INTEREST ON AND PRINCIPAL OF THE SERIES 2005 BONDS; AND PROVIDING FOR A PUBLIC SALE OF THE SERIES 2005 BONDS AND THE APPLICATION OF THE PROCEEDS THEREOF**

WHEREAS, the County of Hopkins, Kentucky (the "County") deems it necessary to borrow money for the purpose of financing the costs of advance refunding the outstanding County of Hopkins, Kentucky General Obligation Bonds (Detention Facility Project), Series 2000 (the "Series 2000 Bonds"), maturing on February 1, 2006 through 2020, inclusive (the "Refunding Program"), and for that purpose, desires to issue its County of Hopkins, Kentucky General Obligation Refunding Bonds (Detention Facility Project), Series 2005, in the approximate amount of \$10,795,000 (subject to an adjustment as described herein upward or downward by the amount of \$1,075,000) [the "Series 2005 Bonds"], the payment of the principal thereof and interest thereon is secured by the full faith, credit and resources of the County which is hereby pledged for such purpose, and

WHEREAS, the Refunding Program refinances the Series 2000 Bonds which were issued to finance a detention facility in Hopkins County, Kentucky (the "Project"), which constitutes a public project within the meaning of Section 66.011 of the Kentucky Revised Statutes; and the life or period of usefulness of the Project, as estimated by the County, extends beyond February 1, 2030; and

WHEREAS, to provide funds for the Refunding Program it is now appropriate for the County to cause the sale and issuance of the 2005 Bonds according to authority of Sections 158 and 159 of the Constitution of Kentucky and applicable laws, as amended, including Sections 66.011 through 66.171 of the Kentucky Revised Statutes (the "Act"); and

WHEREAS, upon issuance of the Series 2005 Bonds the total indebtedness of the County within the meaning of Section 158 of the Constitution of Kentucky, as amended, and the total net indebtedness of the County within the meaning of the Act, do not exceed 2% of the total value of taxable property within the County, as determined by the last certified assessment with respect to such property; and

WHEREAS, it is the desire and intent of the County at this time to adopt this Ordinance which, among other things, authorizes and provides for the issuance of the Series 2005 Bonds for the purposes aforesaid and sets forth the restrictions and conditions on which the Series 2005 Bonds are to be issued and outstanding;

NOW, THEREFORE, BE IT ORDAINED BY THE FISCAL COURT OF THE COUNTY OF HOPKINS, KENTUCKY, AS FOLLOWS:

## ARTICLE 1

### DEFINITIONS

**Section 1. Definitions.** As used in this Ordinance, unless the context requires otherwise, the following terms shall have the following respective meanings:

"*Act*" refers to Chapter Sections 66.011 through 66.171, inclusive, of the Kentucky Revised Statutes.

"*Bond Counsel*" refers to Rubin & Hays, Louisville, Kentucky, or any other nationally recognized individual or firm in the field of municipal bond law.

"*Bondowner*" or "*Owner*" refers to the registered Owner of any of the Bonds.

"*Bond Register*" means the books and records maintained by the Bond Registrar as to the registered ownership and transfers of ownership of the Bonds from time to time.

"*Bond Registrar*" or "*Registrar*" or "*Paying Agent*" or "*Transfer Agent*" refers to the bank which shall constitute the Bond Registrar and Paying Agent with respect to the Bonds, which bank shall have the duties and responsibilities of (a) issuing semiannual checks in payment of interest requirements as to the Bonds, (b) paying the principal of same at maturity or applicable mandatory redemption or optional redemption prior to maturity upon surrender of the Bonds, (c) authenticating, issuing and delivering the Bonds to the original purchasers of same in accordance with the sale of the Bonds, at the direction of the County, (d) maintaining the Bond Register, and (e) handling exchanges, cancellations, reissuance, redemption and all apparent duties of a Bond Registrar, Paying Agent and Transfer Agent with respect to the Bonds, as hereinafter set out. The Bond Registrar, Paying Agent and Transfer Agent hereby designated is The Huntington National Bank, Richwood, Kentucky, Provided, however, it is understood that the County reserves the right to designate a different Federal Deposit Insurance Corporation instrumentality to perform any and all of such functions of Bond Registrar, Paying Agent and Transfer Agent as to the Bonds.

"*Bonds*" refers to the Series 2005 Bonds.

"*Business Day*" means any day other than a Saturday, Sunday or holiday or a day on which banks located in the city or cities in which the principal corporate trust office of the Paying Agent is located are required or authorized to close for general banking business or on any day on which the New York Stock Exchange is closed.

"*Code*" refers to the Internal Revenue Code of 1986, as amended, and the applicable regulations thereunder.

"*Costs of Issuance Fund*" refers to the County of Hopkins, Kentucky General Obligation Refunding Bonds (Detention Facility Project) Cost of Issuance Fund created in Section 18 of this Ordinance.

"*Costs of the Refunding Program*" means and includes the following:

- (a) the cost of publishing any proceedings, if any, as may be required by law;
- (b) the fee and out-of-pocket expenses of Bond Counsel, the fee and out-of-pocket expenses of the County Attorney, the fee and out-of-pocket expenses of the Paying Agent and its counsel and the fee and out-of-pocket expenses of the Financial Advisor;
- (c) any discount below par, as determined at the public sale of the Bonds;
- (d) the costs of advance refunding the Series 2000 Bonds; and
- (e) all other costs and expenses, necessary to be incurred in connection with the Refunding Program.

"*County*" refers to the County of Hopkins, Kentucky.

"*County Attorney*" refers to the elected County Attorney of Hopkins County, Kentucky.

"*County Judge/Executive*" refers to the elected County Judge/Executive of the County.

"*Final Maturity Date*" refers to February 1, 2020.

"*Financial Advisor*" refers to First Kentucky Securities Corporation, 305 Ann Street, Suite 400, P.O. Box 554, Frankfort, Kentucky 40602-0554.

"*Funds*" refers to the Sinking Fund and the Costs of Issuance Fund.

"*Governing Body*" refers to the Fiscal Court of the County.

"*Interest Payment Date*" shall mean February 1 and August 1 of each year, commencing February 1, 2006.

"*IRS*" refers to the Internal Revenue Service of the Treasury Department of the United States of America.

"*Outstanding*" or "*Bonds Outstanding*" means all Bonds which have been authenticated and delivered by Paying Agent under this Ordinance, except:

(a) Bonds cancelled after purchase in the open market or because of payment at or redemption prior to maturity;

(b) Bonds for the payment or redemption of which cash funds and/or noncallable U.S. Obligations have been theretofore deposited with the Paying Agent (whether upon or prior to the maturity or redemption date of any such Bonds); provided that if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given or arrangements satisfactory to the Paying Agent shall have been made therefor, or waiver of such notice satisfactory in form to the Paying Agent, shall have been filed with the Paying Agent; and

(c) Bonds paid or deemed to be paid pursuant to Section 19 of this Ordinance; and

(d) Bonds in lieu of which others have been authenticated under Section 13 of this Ordinance.

"*Paying Agent*" refers to The Huntington National Bank, Richwood, Kentucky, which has been designated to serve as Paying Agent under this Ordinance.

"*Permitted Investments*" refers to the following:

(a) Direct obligations or obligations guaranteed by the United States of America;

(b) Noncallable direct obligations of the United States of America;

(c) Obligations of, or guaranteed as to timely payment of principal and interest by, the United States of America, or obligations of any of its agencies or instrumentalities;

(d) Bonds or certificates of indebtedness of the Commonwealth of Kentucky and of its agencies and instrumentalities rated in the top three rating categories by Moody's Investors Service ("Moody's") and Standard & Poor's Rating Group ("S&P");

(e) Interest bearing deposits in national or state banks chartered in the Commonwealth of Kentucky and insured by Federal Deposit Insurance Company where the deposit amount does not exceed the amount so insured; and

(f) Repurchase agreements for obligations described in (a) or (b) above with national or state banks chartered in Kentucky which have a long term debt rating of "Aa" or better by Moody's and "AA" or better by S&P (so long as an opinion is rendered that the repurchase agreement is a "Repurchase

Agreement" as defined in the Financial Institutions Reform, Recovery and Enforcement Act of 1989 ("FIRREA") and that such bank is subject to FIRREA); provided the term of such repurchase agreement is for one year or less.

"*Project*" refers to the existing Hopkins County Detention Facility located in Hopkins County, Kentucky.

"*Purchasers*" refers to the original purchasers of the Bonds at the public sale, including all members of their purchasing syndicate or group.

"*Record Date*" shall mean with respect to any Interest Payment Date, the close of business on January 15 or July 15, as the case may be, next preceding such Interest Payment Date, whether or not such January 15 or July 15 is a business day.

"*Refunding Program*" refers to the advance refunding of the outstanding Series 2000 Bonds.

"*Regulations*" refers to the applicable Federal income tax regulations issued by the Department of Treasury of the United States of America interpreting the Code.

"*Series 2000 Bonds*" refers to the outstanding Hopkins County General Obligation Bonds (Detention Facility Project), Series 2000, maturing on February 1, 2006 through 2020, inclusive.

"*Series 2005 Bonds*" refers to the County of Hopkins, Kentucky General Obligation Refunding Bonds (Detention Facility Project), Series 2005, dated June 1, 2005.

"*Sinking Fund*" refers to the County of Hopkins, Kentucky General Obligation Refunding Bonds (Detention Facility Project) Sinking Fund, created in Section 18 of this Ordinance.

"*Term Bonds*" refers to the Bonds, if any, which are required to be mandatorily redeemed in accordance with the provisions of Section 14 hereof.

"*Treasurer*" refers to the Treasurer of the County.

"*U. S. Obligations*" means bonds or notes which are the direct obligations of the United States of America, or obligations the principal of and interest on which are guaranteed by the United States of America.

**Section 2. Words of Masculine Gender; Plural as Well as Singular Form.** Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words and terms herein defined shall be equally applicable to the plural as well as to the singular form of any of such words and terms. All words and terms used in this Ordinance have the meaning set forth therein. Unless otherwise indicated, references to Articles or Sections refer to those in this Ordinance.

**Section 3. Authorization of Bonds.** For the purpose of defraying the Costs of the Refunding Program under the Act, the County is authorized to issue and sell its negotiable Bonds, dated June 1, 2005, in the principal amount of \$10,795,000 (subject to adjustment upward or downward in the amount of \$1,075,000), numbered consecutively beginning with R-1 and issued as fully registered bonds in the denominations of \$5,000 or any integral multiple thereof. Said Bonds shall bear interest payable semiannually at a rate or rates to be fixed as a result of the public sale of the Bonds as required by law.

**Section 4. Interest Payable Semiannually.** The Bonds shall bear interest, to be set by a public sale, from June 1, 2005, payable semiannually as anticipated on the Interest Payment Dates.

**Section 5. Place of Payment.** Interest on each Bond shall be payable by check or draft mailed to the registered owner thereof at the address shown on the registration books kept by the Paying Agent as registrar. The principal of and premium, if any, on the Bonds shall be payable, without exchange or collection charges, in lawful money of the United States of America upon their presentation and surrender as they respectively become due and payable, whether at maturity or by prior redemption, at the principal corporate trust office of the Paying Agent. Both principal and interest on the Bonds shall be payable at the main office of the Paying Agent.

**Section 6. Principal Amount and Maturities.** The total principal amount and the maturities of said Bonds shall be finally determined by the Governmental Body in accordance with the provisions of Section 14 hereof; provided that the Bonds shall mature no later than the Final Maturity Date.

**Section 7. Redemption Provisions.** (a) *Optional Redemption.* Provided that the County has given notice to the Paying Agent at least 30 days prior to the date of redemption, the Series 2005 Bonds maturing on or after February 1, 2015, shall be subject to redemption, in whole or in part, in advance of maturity, at any time on or after February 1, 2014, (less than all Bonds of a single maturity to be selected in such manner as the Paying Agent may determine) upon payment of 100% of the principal amount to be redeemed plus accrued interest to the date of redemption.

(b) *Mandatory Redemption.* The Term Bonds, if any, must be mandatorily redeemed on February 1 in each of the respective years set forth in the mandatory redemption schedule set forth in the Sale Resolution. The Term Bonds to be so redeemed shall be selected by the Bond Registrar by lot in such manner as may be determined in the discretion of the Bond Registrar. Such Term Bonds due shall be so mandatorily redeemed at 100% of the aggregate principal amounts specified in accordance with the provisions of Section 14 hereof for each year plus accrued interest to the respective dates of mandatory redemption.

At the option of the County, to be exercised at least 45 days prior to the date for application of the mandatory redemption of the Term Bonds, if any, the County may receive a credit against the mandatory redemption requirement for Term Bonds subject to the application of such mandatory redemption requirement which, prior to the date for application of such requirement (and for which

a credit has not previously been taken) (i) have been redeemed other than through the application of such mandatory redemption procedure, and cancelled by the Bond Registrar, or (ii) have been delivered to the Bond Registrar by the County for cancellation.

(c) *Notice of Redemption.* The Paying Agent shall, upon being indemnified to its satisfaction, and in the event of an optional redemption upon receiving funds necessary to redeem such Bonds, cause notice of the call for any redemption identifying the Bonds or portions thereof (integral multiples of \$5,000) to be redeemed to be sent by United States mail, postage prepaid, at least thirty days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books maintained by the Paying Agent as Bond Registrar. Failure to give such notice by mailing or any defect therein in respect of any Bond shall not affect the validity of any proceedings for the redemption of any Bond.

**Section 8. Tax Levy and Pledge; Sinking Fund.** For the purpose of providing funds required to pay the interest on the Series 2005 Bonds as and when the interest becomes due and in order to create a sinking fund to pay and discharge the principal thereof (and premium, if any) as the Series 2005 Bonds become due, there shall be and there is hereby levied upon all of the taxable property within the County, beginning in 2005 and continuing in each year as long as any of the Series 2005 Bonds are outstanding, a direct annual tax sufficient, to the extent other lawfully available moneys of the County are not provided for that purpose, as mandatorily required by Section 159 of the Kentucky Constitution. The proceeds derived from said special annual tax levied from time to time, together with other lawfully available moneys of the County provided for the purpose, shall be deposited and carried in a special and separate bank account in the name of the County and held apart from all other funds of the County, shall be applied only for the purpose of paying the principal of and interest (and premium, if any) on the Series 2005 Bonds, and shall be designated the County's "Sinking Fund." The proceeds of said special annual tax and the balances accumulated from time to time in the Sinking Fund are hereby irrevocably pledged for the purpose of paying the principal of and interest (and premium, if any) on the Series 2005 Bonds and shall never be used for any other purpose. The County hereby covenants with the holders of the Series 2005 Bonds that it will levy said special annual tax in each year at whatever rates may be necessary from time to time in order to produce the amounts required in each year, to the extent not otherwise provided, to pay the Series 2005 Bonds and interest (and premium, if any) when and as they mature or become due.

If principal or interest should fall due in any year at a time when there are insufficient funds on hand, collected by reason of the foregoing special tax levy, such principal and interest shall be paid from other available funds of the County and reimbursement therefor shall be made out of the special tax hereby provided when the same shall have been collected.

All moneys held in the Sinking Fund shall be deposited in a bank or banks which are members of the Federal Deposit Insurance Corporation ("FDIC"), and all such deposits which cause the aggregate deposits of the County in any one bank to be in excess of the amount insured by FDIC shall be continuously secured by a valid pledge of direct obligations of the United States of America having an equivalent market value. All or any part of the Sinking Fund may be invested in

Permitted Investments, maturing or being subject to retirement at the option of the holder on such dates as the same may be needed for meeting interest and/or principal payments, and all such investments shall be carried to the credit of the Sinking Fund.

**Section 9. Bond Form.** The Bonds shall be in substantially the form set forth in Exhibit A attached hereto.

**Section 10. Execution of the Bonds.** The Bonds shall be executed on behalf of the County and signed with the facsimile signature of the County Judge/Executive, with the corporate seal of the County imprinted thereon and attested by the facsimile signature of the County Clerk of the County.

**Section 11. Bonds Shall Be Fully Registered.** The Bonds shall be fully registered and transferred and assigned in accordance with the written authorized instruction of the registered owner by the Paying Agent. The Paying Agent shall establish and maintain a list of the registered owners of the Bonds.

**Section 12. Authentication of Bonds by Paying Agent.** The Bonds herein authorized shall, upon the signing and execution thereof, be duly authenticated by the Paying Agent, and delivered by it pursuant to the order of the County Judge/Executive, and only such Bonds as shall be authenticated by the Paying Agent or by any successor Paying Agent by the signing of the Paying Agent's Certificate of Authentication endorsed thereon shall be secured by this Ordinance and be entitled to any benefit or pledge herein; and such duly executed Certificate shall be conclusive evidence that the Bonds so authenticated have been duly issued, are authentic, and are entitled to the benefit of the trust hereby created.

**Section 13. Registration and Payment.** All Bonds shall be registered as to both principal and interest on the books of the County maintained at the corporate trust office of the Paying Agent. No transfer of any Bonds shall be valid unless made on said books at the request of the registered owner in person or by his attorney duly authorized in writing, and similarly noted on such Bond. The Paying Agent, as registrar, shall not be required to transfer or exchange any Bond on any date which is after the fifteenth day of the month preceding any interest payment date, or during any period beginning 15 days prior to the selection by the Paying Agent of Bonds to be redeemed prior to maturity and ending on the date of mailing of notice of any such redemption. The person in whose name a Bond is registered upon the books of the County shall be deemed the owner thereof for all purposes.

**Section 14. Conditions of Sale of Bonds.** The Bonds shall be sold at a publicly advertised sale, upon the basis of sealed bids, at such time as the County Judge/Executive may deem desirable. The County Judge/Executive and/or the County Clerk, are hereby authorized to prepare such Notice of Bond Sale, substantially in the form of Exhibit B attached hereto, Official Terms and Conditions of Bond Sale, substantially in the form of Exhibit C attached hereto, Bid Form, substantially in the form of Exhibit D attached hereto, and an Official Statement, in the customary forms as may be necessary or desirable, without further action being taken, after the execution of this instrument is

authorized, it being provided, however, that there shall be no sale of the Bonds unless and until the Governing Body accepts a successful bid for the sale of the Bonds.

Said bids shall be received in the County Judge/Executive's office, Hopkins County Courthouse, Madisonville, Kentucky, or such other place as may be designated. The County Judge/Executive is hereby authorized to accept the successful bid, determine the exact rates of interest which said Bonds shall bear, which rates of interest may be either a fixed rate or rates or a variable rate based on a percentage of an easily identifiable and calculable index formula, and the interest rates on the Bonds shall be automatically set at the rates set out on the back of the Bid Form of the successful bid, without the necessity of any further action by the Governing Body fixing said rates, provided however that the successful bid shall not have a net interest cost in excess of 6% per annum. The proceeds of the sale of said Bonds shall be used only for the purposes herein described.

**Section 15. Disposition of Proceeds of Sale of Bonds.** Whenever the Bonds shall have been sold and delivered, the proceeds thereof shall be used as follows:

- (1) to deposit an amount equal the collected accrued interest on the Bonds for the period from the date thereof to the date of delivery thereof into the Sinking Fund,
- (2) to deposit such moneys in the Costs of Issuance Fund, as are necessary to pay the issuance expenses of the Bonds, and
- (3) to pay to the Escrow Agent such moneys as set forth in the Escrow Agreement to advance refund the Series 2000 Bonds with a redemption on February 1, 2010.

Pending disbursement for the authorized purposes, the proceeds of the Bonds shall be subject to a first and paramount lien and charge in favor of the owners of the Bonds and for their further security, and shall be invested by the Paying Agent as directed by the County Judge/Executive or the Treasurer, who are jointly and severally charged with the responsibility for issuing the Bonds, in Permitted Investments.

**Section 16. Arbitrage Limitation.** The County covenants that sums derived from the proceeds of the Bonds and from the revenues of the Refunding Program shall not be invested in investments that will produce a net adjusted yield that is in excess of the yield of the Bonds if such investment would cause such Bonds to be treated as "arbitrage bonds" within the meaning of Section 148 of the Code and the applicable Regulations thereunder; provided, however, that such proceeds may be invested to whatever extent and whenever such Code and/or applicable Regulations permit same to be invested without causing the Bonds to be treated as "arbitrage bonds."

The County further covenants to the bondowners that:

- (1) the County will make no use of the proceeds of the Bonds, or of the revenues of the Refunding Program which, if such use had been reasonably expected on the date of issuance of such Bonds, would have caused such Bonds to be "arbitrage bonds," and

- (2) that the County will comply with:
  - (i) all of the requirements of Section 148 of the Code; and
  - (ii) all of the requirements of the applicable Regulations thereunder, to whatever extent is necessary to assure that the Bonds shall not be treated as "arbitrage bonds."

On the basis of known facts, circumstances and reasonable expectations in existence on the date of approval of this Ordinance the County certifies as follows:

- (1) that it is not expected that the proceeds of the Bonds, or the revenues of the Refunding Program, will be used in a manner which would cause such Bonds to be "arbitrage bonds;"

- (2) that it is anticipated that amounts on deposit in the Sinking Fund will be used within thirteen (13) months from the date of deposit for the payment of debt service on the Bonds, and that, except for an amount equal to not more than the greater of (i) one-twelfth (1/12) of debt service requirements of the Bonds for the then ensuing year, or (ii) one year's earnings on the Sinking Fund, such Sinking Fund will be depleted through such application for current debt service requirements of the Bonds;

- (3) that it is not anticipated that amounts will be accumulated in any reserve fund anticipated to be used for debt service on the Bonds in excess of 10% of the total issued principal amount of the Bonds; and

- (4) that the original proceeds of the Bonds will not exceed by more than 5%, the amount required for the financing of the Refunding Program, and that there has therefore been no overissuance of the Bond.

Prior to or at the time of delivery of the Bonds, the County Judge/Executive and/or Treasurer of the County are authorized, based on information furnished to the County, to execute the appropriate certification with reference to the matters referred to above, setting out all known and contemplated facts concerning such anticipated expenditures and investments, including the execution of necessary and/or desirable certifications of the type contemplated by the Regulations, in order to assure that interest on the Bonds will be excludable from gross income for Federal income tax purposes and that the Bonds will not be treated as "arbitrage bonds."

**Section 17. Rebate Provisions.** The County covenants and agrees that in the event it is subsequently determined by the County, upon advice of nationally recognized bond counsel, that the Sinking Fund, or any other fund established under this Ordinance, is subject to said rebate requirements and does, in fact, generate earnings from "non-purpose investments" in excess of the amount which said investments would have earned at a rate equal to the "yield" on the Bonds, plus any income attributable to such excess, there shall be established a separate and special fund with

the Paying Agent to be designated as the "County of Hopkins, Kentucky General Obligation Refunding Bonds (Detention Facility Project) Rebate Fund," which shall be utilized for the collection and payment of any excess generated from investments and the remittance thereof to the United States of America until the final retirement of the Bonds; the installment, to the extent required, to be made no later than sixty (60) days following the date on which funds sufficient for the complete retirement of the Bonds are deposited with the Paying Agent or any escrow agent.

**Section 18. Creation of Funds.** There is hereby created the "County of Hopkins, Kentucky General Obligation Refunding Bonds (Detention Facility Project) Sinking Fund (the "Sinking Fund") to be deposited with the Paying Agent, into which there shall be set aside out of the proceeds of the sale of the Bonds the amount of the accrued interest accruing on said Bonds from their issuance date to their date of delivery.

There is hereby separately created the "County of Hopkins, Kentucky General Obligation Refunding Bonds (Detention Facility Project) Costs of Issuance Fund (the "Costs of Issuance Fund"), which shall also be deposited with the Paying Agent as and when needed, into which Costs of Issuance Fund there shall be set aside and deposited the issuance costs of the Bond.

Funds on deposit in the Sinking Fund may be invested in accordance with KRS 66.480, in Permitted Investments. All income earned from investment of moneys in the Sinking Fund (including the capitalized interest, if any, deposited therein) shall, as earned, be used to pay principal and interest on the Bonds.

Funds on deposit in the Costs of Issuance Fund shall not be invested.

The investment of funds shall be made by the Paying Agent upon and at the direction of the County. The investments of funds may be made or transacted by the Paying Agent through the Paying Agent's investment department.

The Sinking Fund shall be used solely and only and is hereby pledged for the payment of the interest on and principal of the Bonds.

No further payments need be made into the Sinking Fund whenever and so long as such amount of the Bonds shall have been retired that the amount then held in the Sinking Fund is equal to (or sufficient to defease) the entire amount of the interest and principal (and redemption premium, if any) that will be payable to and at the time of the retirement and/or maturity of all the Bonds then remaining outstanding.

**Section 19. Defeasement.** If the County shall pay or cause to be paid, or there shall otherwise be paid as hereinafter set out in this Section, the principal and interest due or to become due thereon, at the times and in the manner provided herein, and all other amounts due to the Paying Agent shall have been paid, and if the County shall keep, perform, and observe all and singular the covenants and promises in the Bonds and expressed herein to be kept, performed, and observed by it or on its part, then these presents, and the pledge, lien and other rights hereby granted shall cease,

terminate, and be void, and thereupon the Paying Agent shall execute and deliver to the County such instruments in writing as shall be requisite to cancel the lien hereof, and assign and deliver to the County any pertinent property encumbered hereby which may then be in its possession, except funds, or securities in which such funds are invested, held by the Paying Agent and earmarked for the payment of principal of and interest on the Bonds.

All outstanding Bonds shall, prior to the maturity or redemption date thereof, be deemed to have been paid within the meaning and with the effect expressed above if (a) in case any of said Bonds are to be redeemed on any date prior to their maturity, the County shall have given to the Paying Agent in form satisfactory to it irrevocable instructions to give notice of redemption of such Bonds on said date as provided herein, (b) there shall have been deposited with the Paying Agent (1) moneys in an amount which shall be sufficient, and/or (2) U. S. Obligations, the principal of which, with or without the interest on such principal, as the case may be, will provide moneys which together with other moneys, if any, deposited with the Paying Agent at the same time, shall be sufficient, to pay when due the principal and the interest due and to become due (and, where applicable, the redemption premium) on the Bonds on and prior to the redemption date and/or the maturity date thereof, as the case may be, and (c) in the event any of the Bonds are not to be redeemed in accordance with the redemption provisions hereof within the next succeeding 60 days, the County shall have given the Paying Agent, in form satisfactory to it, irrevocable instruction to give, as soon as practicable, in the same manner as a notice of redemption is required to be given herein, a notice to the owners of such Bonds that the deposit required by (b) above has been made with the Paying Agent, that said Bonds are deemed to have been paid in accordance with this Section, and stating such maturity and/or redemption date upon which moneys are to be available for the payment of the principal of and interest on said Bonds.

Nothing contained in this Section shall require that any Bonds be redeemed in advance of maturity without the written consent of the County unless (i) such redemption is then considered by the Paying Agent to be in the best interests of the County and the bondowners and (ii) no right to defease the Bonds without redemption in advance of maturity shall have become vested.

No investment may be made under this Section which would cause the Bonds to become "arbitrage bonds" within the meaning of Section 148 of the Code or the applicable Regulations thereunder.

**Section 20. Covenant as to Insurance and Audits.** The County agrees that so long as any of the Bonds are outstanding it will cause the following covenants to be complied with:

(a) *Insurance.* It will keep the Project insured against loss or damage by fire, windstorm, tornado, or other casualties to an extent at least equal to the insurable value thereof, and such other forms of insurance shall be carried in such amounts as are ordinarily carried for property of like character in a responsible insurance company or companies, which insurance companies shall be rated "A" or better by S&P (a "Qualified Insurer"). If an insurer's rating falls below "A" such insurer shall be replaced with a Qualified Insurer. Failure to comply with the above requirements shall constitute an Event of Default

hereunder. The County will cause all such policies to be made payable in case of loss to the Paying Agent. Any amount collected under said policies for any loss covered or damage done shall first be applied to the replacement or restoration of any building or buildings damaged or destroyed, and any surplus then remaining after such replacement or restoration shall be paid into the Sinking Fund, depending on whether the Bonds are outstanding; provided that if following any partial or complete destruction, any principal or interest payment on the Bonds is due and there are no other funds available for such payment(s), such insurance proceeds must be applied first to the defaulted payment(s). All insurance to be maintained hereunder shall not be part of a self insurance program.

(b) *Audits.* It will, as soon as may be feasible after the close of each fiscal year, in any event, not later than sixty days thereafter, cause an audit of the financial affairs of the County to be made by a Certified Public Accountant, covering the status of rental payments or payments of principal and interest on the Bonds.

It will properly mail or cause to be mailed, to the original purchaser of the Bonds, a copy of such audit report and will cause a copy of such audit report to be kept on file with the Paying Agent, where such copy will be subject to inspection at any reasonable time by or on behalf of any owner of outstanding Bonds. It will furnish or cause to be furnished, on or before ninety (90) days after the close of each fiscal year, a copy of such audit report to any owner of said Bonds who shall request same in writing.

All expenses incurred in causing such audits to be made and copies distributed, shall constitute proper expenses of operating and maintaining said Project and shall be paid by the County as an expense of the Project in addition to the rentals and amounts otherwise required to be paid hereunder.

**Section 21. Default; Remedies.** The following shall be considered an "Event of Default" under this Ordinance:

- (1) there shall be any default in the payment of the principal of or the interest on the Bonds, when due, or
- (2) the insolvency of, or the filing of a petition in bankruptcy by or against the County, or
- (3) the County shall fail or refuse to comply with the provisions of the Act, or shall default in the performance or observance of any other of the covenants, agreements or conditions on its part contained in the Ordinance, any authorizing resolution of the County, or the Bonds, or the County shall default in the performance or observance of any covenant, other than payment of rental agreements or conditions on its part contained in the Ordinance, and such failure, refusal or default shall continue for a period of forty-five (45) days after written notice thereof by the Paying Agent, the

Bond Insurer or by owners of not less than five percent (5%) in principal amount of the outstanding Bonds.

Upon the happening and continuance of any Event of Default, the Paying Agent may proceed to protect and enforce its rights and the rights of the Bondowners by such of the following remedies, as the Paying Agent, being advised by counsel, shall deem most effectual to protect and enforce such rights:

- (a) by mandamus or other suit, action or proceeding at law or in equity, to enforce all rights of the bondowners, including the right to require the County to enforce fully the Ordinance and to charge, collect and fully account for the County revenues and to require the County to carry out any and all other covenants or agreements with the bondowners and to perform its duties under the Act;
- (b) by bringing suit upon the Bonds;
- (c) by action or suit in equity, require the County to account as if it were the Paying Agent of an express trust for the owners of the Bonds;
- (d) by action or suit in equity, enjoin any acts or things which may be unlawful or in violation of the rights of the owners of the Bonds;
- (e) by declaring all Bonds due and payable, and if all defaults shall be made good, then, with the written consent of the owners of not less than fifty percent (50%) in principal amount of the outstanding Bonds, by annulling such declaration and its consequences; or
- (f) in the event that all Bonds are declared due and payable, by selling Permitted Investments of the County (to the extent not theretofore set aside for redemption of Bonds for which call has been made), and enforcing all courses in action of the County to the fullest legal extent in the name of the County for the use and benefit of the owners of the Bonds.

The County expressly waives any right to claim a trespass in connection with any such action.

In the event of default, each defaulted Bond shall continue to bear interest after maturity at the interest rate applicable to such respective Bonds until the necessary funds are made available for the payment thereof.

**Section 22. Rights of Bondowners.** Notwithstanding any other provisions herein contained, the owners of the Bonds and the Paying Agent representing them, shall have all of the rights provided for thereunder to require the County to operate the Project and to charge whatever rents and rates are necessary for the services provided by such facilities and to levy such taxes as provided for in the Act, within any limitations imposed by law, in order that all of the interest on and the principal of such Bonds shall be paid in full.

Such owners of such Bonds and the Paying Agent representing same shall be secured to the full extent provided by law by a pledge of the tax and other revenues of the County in accordance with the terms of the Act.

**Section 23. Ordinance is Contractual With Bondowners.** The provisions of this Ordinance and of any authorized supplemental Ordinance entered into prior to the delivery and payment of the Bonds to the successful purchaser(s), shall constitute a contract between the County, the Paying Agent and the owners of any Bonds, no change in the provisions of this Ordinance or of any supplemental Ordinance shall be made in any manner except as herein provided until such time as all of the Bonds and the interest thereon have been paid in full; provided:

(a) the County may adopt a supplemental Ordinance for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective or inconsistent provisions contained herein or in any proceedings pertaining hereto, provided no change may be made which would impair the security or interests of the bondowners in any way, without (1) the consent in writing of the original successful purchaser of the Bonds, if the Bonds have not yet been delivered or (2) the consent of 75% in amount of the owners of the outstanding Bonds, if the Bonds have been delivered; and

(b) the owners of seventy-five percent (75%) in principal amount of the Bonds at any time outstanding shall have the right to consent to, and approve the adoption of resolutions, ordinances or other proceedings, modifying or amending any of the terms or provisions contained in this Ordinance; provided, however, that no such modifications or amendments shall be made which will permit: (1) an extension of the maturity of any of the Bonds, or any parity bonds, or (2) a reduction in the principal of any Bond, or any parity bonds, or the redemption premium or the rate of interest thereon, or (3) a preference or priority of any Bond or parity bonds over any other bond or bonds, or (4) a reduction in the percentage of the aggregate principal amount of the Bonds required to consent to any modification or amendment, or (5) impair in any way the rights of the owners of the Bonds.

**Section 24. Annual Disclosure Requirements.** In accordance with the requirements of Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission (the "Commission"), the County agrees to provide or cause to be provided through the Paying Agent or other designated agent (the "Agent"), in a timely manner, to (i) each nationally recognized municipal securities information repository ("NRMSIR") designated by the Commission in accordance with the Rule or to the Municipal Securities Rulemaking Board ("MSRB") and (ii) the appropriate state information depository ("SID"), if any, designated by the Commonwealth of Kentucky, notice of the occurrence of any of the following events with respect to the Bonds, if such event is material:

- (a) principal and interest payment delinquencies;
- (b) non-payment related defaults;
- (c) unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) substitution of credit or liquidity providers, or their failure to perform;

- (f) adverse tax opinion or events affecting the tax-exempt status of the Bonds;
- (g) modifications to rights of the Bondowners;
- (h) Bond calls;
- (i) defeasances;
- (j) release, substitution or sale of property securing repayment of the Bonds; and/or
- (k) rating changes.

The County may from time to time choose to provide notice of the occurrence of certain other events, in addition to those listed above, if the County determines that such other event is material with respect to the Bonds, but the County does not undertake to commit to provide any such notice of the occurrence of any material event except those events listed above.

Financial information regarding the County can be obtained from the Treasurer of the County, Hopkins County Courthouse, Madisonville, Kentucky 42431 telephone: (270) 821-2666.

The obligations of the County described above will remain in effect only for such period that (i) the Bonds are outstanding in accordance with their terms and (ii) that the County remains an obligated person with respect to the Bonds within the meaning of the Rule. The County reserves the right to terminate its obligation to provide notices of material events, as set forth above, if and when the County no longer remains an obligated person with respect to the Bonds within the meaning of the Rule. The County acknowledges that its undertaking pursuant to the Rule described under this Section is intended to be for the benefit of the Bondowners (including holders of beneficial interests in the Bonds).

Notwithstanding any other provision of this Ordinance, this Section may be amended, if the County receives an opinion of independent legal counsel to the effect that:

- (i) such amendment is made in connection with a change in circumstances that arises from a change in legal requirements, a change in law or a change in the types of activities in which the County is engaged;
- (ii) this Section as so amended, would have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and
- (iii) such amendment does not materially impair the interests of the Bondowners.

In the event of a failure of the County to comply with any provision of this Section, any Bondowner may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the County to comply with its obligations under this Section. A default under this Section shall not be deemed an Event of Default under the Ordinance, and the sole remedy under this Section in the event of any failure of the County to comply with this Section shall be an action to compel performance.

**Section 25. Acceptance of Paying Agent.** The Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by this Ordinance by executing this Ordinance and by executing the Paying Agent's Certificate of Authentication endorsed upon each of the Bonds.

**Section 26. Duties and Responsibilities of Paying Agent.** The duties of such Paying Agent shall be as follows:

(a) To receive such funds of which it is hereby designated depository and to transfer and disburse moneys received by it in strict accordance with the provisions hereof; but such Paying Agent shall not be liable for the payment of any moneys by the County, and shall be liable only to account for the moneys actually received by it;

(b) To authenticate the Bonds as herein provided;

(c) To pay the interest on and principal of the Bonds as same fall due, if and to the extent that there are moneys in the Sinking Fund sufficient for such purposes;

(d) To invest surplus amounts of cash, if any, in the Funds herein provided, and in the manner herein provided, to hold such obligations, to sell same, and to credit the proceeds to such Funds all as herein provided, such Paying Agent to have the right to take all of such actions without any further authorization by the County or any other party, except as is otherwise herein provided;

(e) Upon receipt by the Paying Agent of actual notice of any default of the County in any of the terms, conditions, covenants, or agreements hereof, or should the County fail to meet the obligations imposed upon it hereunder, the Paying Agent, may, in its discretion, and shall, upon request in writing of the holder or holders of a majority in amount of the outstanding Bonds, and upon being properly indemnified against its costs and expenses, proceed at once to file suit in any court of competent jurisdiction for such relief as may be proper for the benefit of the owner or owners of such Bonds;

(f) The Paying Agent, prior to the occurrence of an Event of Default and after the curing of all events of default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Ordinance and as a corporate Paying Agent ordinarily would perform such duties. In case an Event of Default has occurred (which has not been cured or waived) the Paying Agent shall exercise such of the rights and powers vested in it by this Ordinance, and use the same degree of care and skill in their exercise, as a Paying Agent ordinarily would perform under the circumstances; and

(g) The provisions herein as to the Paying Agent bringing suit upon behalf of such bondowners are in addition to any and all rights which any bondowner or bondowners may have to bring suit upon their own behalf. The Paying Agent, may, in its discretion, or shall, upon request in writing of the owner or owners of at least 25% in principal amount of the outstanding Bonds, and upon being properly indemnified against costs and expenses, ask

to join in any suit which may have already been brought upon behalf of any owner or owners of such Bonds. In determining whether or not the owners of at least 25% in principal amount of the outstanding Bonds have so requested the Paying Agent to join in any suit, the Bonds held by any owners who have already brought a pending suit may be included in the amount of Bonds calculated in such determination.

**Section 27. Immunities and Other Rights of Paying Agent.** The acceptance by the Paying Agent of the trusts, duties and responsibilities herein is subject to the following immunities and other rights of the Paying Agent:

(a) The Paying Agent shall not be required to take notice or be deemed to have notice of any default hereunder, except failure by the County to cause to be made any of the payments to the Paying Agent required to be made by this Ordinance, or failure by the County to file with the Paying Agent any document required by this Ordinance to be so filed, unless the Paying Agent shall be notified of such default by the County or by the owners of 25% in aggregate principal amount of Bonds then outstanding.

(b) The Paying Agent may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents, receivers or employees, but shall be answerable for the conduct of the same in accordance with the standard specified above, and shall be entitled to act upon the opinion or advice of its counsel concerning all matters of trust hereof and the duties hereunder, and may in all cases pay reasonable compensation to all such attorneys, agents, receivers and employees as may reasonably be employed in connection with the trust hereof. The Paying Agent may act upon an opinion of its counsel and shall not be responsible for any loss or damage resulting from any action or non-action by it taken or omitted to be taken in good faith and in reliance upon such opinion.

(c) The Paying Agent shall not be accountable for the use of any Bonds authenticated or delivered hereunder. The Paying Agent and its directors, officers, employees or agents, may in good faith buy, sell, own, hold and deal in the Bonds and may join in any action which any Bondowner may be entitled to take with like effect as if such bank or trust company were not the Paying Agent, and may also receive tenders and purchase in good faith Bonds from itself, including any department, affiliate or subsidiary, with like effect as if it were not the Paying Agent.

(d) The Paying Agent shall be protected in acting upon any notice, request, consent, certificate, order, affidavit, letter, telegram or other paper or document reasonably believed by it to be genuine and correct and to have been signed or sent by the proper person or persons. Any action taken by the Paying Agent pursuant to this Ordinance upon the request, authority or consent of any person who at the time of making such request or giving such authority or consent is the owner of any Bond, shall be conclusive and binding upon all future owners of the same Bond and upon Bonds issued in exchange therefor or in place thereof.

(e) As to the existence or non-existence of any fact or as to the sufficiency or validity of any instrument, paper, or proceeding, the Paying Agent shall be entitled to rely upon a certificate signed on behalf of the County by its County Judge/Executive and attested by its County Clerk under its seal, or by such other person or persons as may be designated for such purposes by resolution of the County, as sufficient evidence of the facts therein contained; and prior to the occurrence of a default of which the Paying Agent has been notified as provided in Section 21 hereof, or of which by said provision it is deemed to have notice, may also accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient, but may at its discretion secure such further evidence deemed necessary or advisable, but shall in no case be bound to secure the same. The Paying Agent may accept a certificate of the County Clerk of the County under its seal to the effect that a resolution in the form therein set forth has been adopted by the County as conclusive evidence that such resolution has been duly adopted and is in full force and effect.

(f) The permissive right of the Paying Agent to do things or to take actions enumerated in this Ordinance shall not be construed as a duty and the Paying Agent shall not be answerable for other than its negligence or willful misconduct.

(g) The Paying Agent shall not be personally liable for any debts contracted or for damages to persons or to personal property injured or damaged, or for salaries or non-fulfillment of contracts during any period in which it may be in the possession of or managing the Project as provided in this Ordinance.

(h) At any and all reasonable times the Paying Agent and its duly authorized agents, attorneys, experts, engineers, accountants and representatives and the holders of an aggregate of not less than five percent (5%) of the principal amount of Bonds then outstanding or their representatives duly authorized in writing, shall have the right, but shall not be required, to inspect the Project and all books, papers and records of the County pertaining to the Project and the Bonds, and to make such memoranda from and in regard thereto as may be desired.

(i) The Paying Agent shall not be required to give any bond or surety in respect of the execution of such trusts and powers or otherwise in respect of the premises.

(j) Notwithstanding anything elsewhere contained in this Ordinance, the Paying Agent shall have the right, but shall not be required, to demand, in respect of the authentication of any Bonds, the withdrawal of any cash, the release of any property, or any action whatsoever within the purview of this Ordinance, any showings, certificates, opinions, appraisals or other information, or corporate action or evidence thereof, in addition to that required by the terms hereof, as a condition of establishing the right of the County to the authentication of any Bonds, the withdrawal of any cash, or the taking of any other action by the Paying Agent.

(k) Before taking any action under this Ordinance, the Paying Agent may require that satisfactory indemnity be furnished to it for the reimbursement of all expenses to which it may be put and to protect it against all liability, except liability which is adjudicated to have resulted from its negligence or willful misconduct, by reason of any action so taken.

(l) All moneys received by the Paying Agent shall, until used, be applied or invested as herein provided, be held in trust in the manner and for the purposes for which they were received but need not be segregated from other funds except to the extent required by this Ordinance or by law. The Paying Agent shall not be under any liability for interest on any moneys received thereunder except as such may be agreed upon.

**Section 28. Fees, Charges and Expenses of Paying Agent.** The Paying Agent shall be entitled to payment of and reimbursement for reasonable fees for its services rendered hereunder and for all advances, counsel fees and other expenses reasonably and necessarily made or incurred by the Paying Agent in connection with such services. The Paying Agent shall be entitled to payment and reimbursement for the reasonable fees and charges of the Paying Agent as paying agent for the Bonds, if any, as hereinabove provided.

**Section 29. Merger or Consolidation of Paying Agent.** Any corporation or association into which the Paying Agent may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, shall be and become successor Paying Agent hereunder and vested with all the trusts, powers, discretion, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed, or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

**Section 30. Replacement of Paying Agent.** In case the Paying Agent hereunder shall resign or be removed, or be dissolved, or otherwise become incapable of acting hereunder, a successor may be appointed by the owners of a majority in principal amount of the Bonds hereby secured and then outstanding by an instrument or concurrent instruments in writing, signed by such owners, or their duly authorized agents, provided that in any such event, the County may appoint a temporary Paying Agent, which may immediately act until a permanent successor Paying Agent is appointed. No successor Paying Agent shall act without signing a written acceptance of the appointment. Such successor Paying Agent shall be entitled to receive an instrument from the Paying Agent transferring the trust, but shall be fully authorized to act without such instrument.

Any Paying Agent appointed under the provisions of this Section as successor to the Paying Agent appointed at the issuance of the Bonds shall be a trust company or bank having the powers of a trust company within or outside the Commonwealth of Kentucky having capital and surplus aggregating at least Ten Million Dollars (\$10,000,000) if there be such a trust company or bank, willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Ordinance.

**Section 31. Signatures of Officers.** If any of the officers whose signatures or facsimile signatures appear on any of the Bonds cease to be such officers before delivery of the Bonds, such signatures shall nevertheless be valid for all purposes the same as if said officers had remained in office until delivery, as provided in KRS 61.390.

**Section 32. Terms of Bonds and this Ordinance May be Revised Before Issuance.** The County reserves the right, prior to the issuance of the Bonds, to amend this Ordinance as to the date, amount, maturities, redemption premiums and other provisions of the Bonds, consistent with market conditions and other pertinent factors at the time of such issuance.

**Section 33. Severability Clause.** If any section, paragraph, clause or provision of this Ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance.

**Section 34. Captions of Clauses.** The captions and headings of this Ordinance are for convenience only and are not to be construed as part of this instrument nor as defining or limiting in any way the scope or intent of the provisions hereof.

**Section 35. Effective Date of Ordinance; Publication of Summary.** This Ordinance shall be introduced at a meeting of the Governing Body and shall remain on file for public inspection in the office of the County Clerk until the next following regular, adjourned regular or called, special session of the Governing Body, in the completed form in which it shall be put on its final enactment. If enacted, this Ordinance shall be in full force and effect immediately, and a Notice of Enactment and Summary of the provisions of this Ordinance, in the form submitted to the Governing Body, and approved hereby, shall be published as required by law.

Introduced and given first reading by the Fiscal Court on May 26, 2005.

Given second reading and enacted by the Fiscal Court on June 23, 2005.

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County Judge/Executive

Attest:

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County Clerk



CERTIFICATE OF COUNTY CLERK

I, Devra Steckler, certify that I am the duly qualified and acting County Clerk of the County of Hopkins, Kentucky, that the foregoing Ordinance is a true and correct copy of an Ordinance authorizing the issuance of the County of Hopkins, Kentucky General Obligation Refunding Bonds, Series 2005, dated June 1, 2005, which Ordinance was duly enacted by the Fiscal Court of said County, signed by the County Judge/Executive of said County, and attested under Seal by me as County Clerk at a properly convened meeting of the Fiscal Court held on June 23, 2005, as shown by the official records of the County in my custody and under my control, that said Ordinance has been ordered to be published by title and summary as required by law, and that said Ordinance has been recorded in the official Ordinance Book of the County.

IN TESTIMONY WHEREOF, witness my signature as County Clerk and the official seal of said County this June 23, 2005.

(Seal of County)

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County Clerk

ACCEPTANCE BY THE HUNTINGTON NATIONAL BANK  
AS BOND REGISTRAR, PAYING AGENT AND TRANSFER AGENT

The undersigned hereby agrees to the provisions of the foregoing Ordinance to the extent there are contained therein provisions as to the rights and duties of it as Bond Registrar, Paying Agent and Transfer Agent.

Dated: \_\_\_\_\_, 2005.

THE HUNTINGTON NATIONAL BANK  
Richwood, Kentucky

By \_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

**EXHIBIT A**

UNITED STATES OF AMERICA  
COMMONWEALTH OF KENTUCKY  
COUNTY OF HOPKINS, KENTUCKY  
GENERAL OBLIGATION REFUNDING BOND  
(DETENTION FACILITY PROJECT)  
SERIES 2005

NO. R-\_\_\_

\$ \_\_\_\_\_

INTEREST RATE:

MATURITY DATE:

CUSIP:

DATE OF ORIGINAL ISSUE: June 1, 2005

REGISTERED OWNER:

PRINCIPAL AMOUNT:

KNOW ALL PERSONS BY THESE PRESENTS: That the County of Hopkins, Kentucky (the "County"), a political subdivision of the Commonwealth of Kentucky, acknowledges itself to owe and for value received, hereby promises to pay to the Registered Owner named above, or registered assigns or legal representatives, as herein provided, solely from the special fund hereinafter identified, upon presentation and surrender of this Bond, the Principal Amount specified above, on the Maturity Date set forth above and to pay interest on said sum, at the Interest Rate, set forth above, per annum, from date hereof, payable semiannually on February 1 and August 1 of each year until paid, beginning February 1, 2006, except as the provisions hereinafter set forth as to prior redemption may be and become applicable hereto, such interest as may accrue on and prior to the maturity of this Bond, to be paid by check or by draft to the registered owner hereof, both principal and interest being payable, without deduction for exchange or collection charges, in lawful money of the United States of America, at The Huntington National Bank, Richwood, Kentucky (the "Paying Agent").

This Bond is one of a series of Bonds in the aggregate principal sum of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_), of like tenor and effect (except possibly as to numbering, maturities, interest rates, and provisions as to prior redemption), and this Bond and the issue of which it forms a part (hereinafter sometimes collectively referred to as the "Bonds"), are authorized and issued under an Ordinance (the "Ordinance") enacted by the County on June 23, 2005, for the purpose of advance refunding the outstanding Hopkins County General Obligation Bonds (Detention Facility Project), Series 2000 (the "Series 2000 Bonds"), pursuant to and in full compliance with the laws of the Commonwealth of Kentucky.

The Bonds constitute general obligations of the County and the full faith, credit and taxing power of the County is irrevocably pledged to the prompt payment of the principal of, premium, if any, and interest on the Bonds when the same become due. Reference is hereby made to the Ordinance for a more particular description of the terms and conditions under which the Bonds are issued, a more specific identification of the Refunding Program, its use and operation, the revenues pledged for the payment of the Bonds, the nature and extent of the security, the rights and duties of the County and the rights of the owners of the Bonds with respect to such security.

For the purpose of providing funds required to pay the principal of and interest on (and premium, if any) the Bonds as and when the same becomes due, there shall be levied upon all of the taxable property within the County, beginning in 2005 and continuing in each year as long as any of the Bonds are outstanding, a direct annual tax sufficient, to the extent other lawfully available moneys of the County are not provided for that purpose, as mandatorily required by Section 159 of the Kentucky Constitution. The proceeds derived from said special annual tax levied from time to time, together with other lawfully available moneys of the County provided for the purpose, shall be deposited and carried in a special and separate bank account in the name of the County and held apart from all other funds of the County, shall be applied only for the purpose of paying the principal of and interest (and premium, if any) on the Bonds, and shall be designated the County's "Sinking Fund." The proceeds of said special annual tax and the balances accumulated from time to time in the Sinking Fund are irrevocably pledged for the purpose of paying the principal of and interest (and premium, if any) on the Bonds and shall never be used for any other purpose.

In the Ordinance, the County has covenanted with the holders of the Bonds that it will levy said special annual tax in each year at whatever rates may be necessary from time to time in order to produce the amounts required in each year, to the extent not otherwise provided, to pay the Bonds and interest (and premium, if any) when and as they mature or become due.

If principal or interest should fall due in any year at a time when there are insufficient funds on hand, collected by reason of the foregoing special tax levy, such principal and interest shall be paid from other available funds of the County and reimbursement therefor shall be made out of the special tax provided in the Ordinance when the same shall have been collected.

The Bonds maturing on or after February 1, 2015, shall be subject to redemption, in whole or in part, in advance of maturity, at any time on or after February 1, 2014, (less than all Bonds of a single maturity to be selected in such manner as the Paying Agent may determine) upon payment of 100% of the principal amount to be redeemed plus accrued interest to the date of redemption.

The Paying Agent shall, upon being indemnified to its satisfaction, and receiving funds necessary to redeem such Bonds, cause notice of the call for any redemption identifying the Bonds or portions thereof (in integral multiples of \$5,000) to be redeemed to be sent by United States mail, postage prepaid, at least thirty days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books maintained by the Paying Agent as Bond Registrar. Failure to give such notice by mailing or any defect therein in respect of any Bond shall not affect the validity of any proceedings for the redemption of any Bond.

All of the Bonds as to which the County reserves and exercises the right of redemption and as to which notice as aforesaid shall have been given, and for the retirement of which, upon the terms aforesaid, funds are duly provided, will cease to bear interest on the redemption date. Notice of such redemption may be waived with the written consent of the owner of the Bond called for redemption.

This Bond shall not be valid or obligatory unless this Bond is authenticated by the Paying Agent, or its successor or successors, by the execution of the Paying Agent's certificate endorsed hereon.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond, do exist, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of the County, does not exceed the debt incurring authority and capacity of this County; and the County, so long as the Bonds remain outstanding, shall perform all duties imposed upon it by the Ordinance.

IN WITNESS WHEREOF, the County of Hopkins, Kentucky has caused this Bond to be executed on its behalf with the duly authorized reproduced facsimile signature of its County Judge/Executive and the reproduced facsimile of its corporate seal to be imprinted hereon, attested by the reproduced facsimile signature of the County Clerk of the County, and this Bond is to be dated as of the date set forth above.

COUNTY OF HOPKINS, KENTUCKY

By: \_\_\_\_\_  
County Judge/Executive

Attest:

By \_\_\_\_\_  
County Clerk

**CERTIFICATE OF AUTHENTICATION**

This is to certify that this Bond is one of the series of Bonds in the aggregate principal sum of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) referred to in the within mentioned Ordinance and of record in the office of the County Clerk of Hopkins County, Kentucky.

THE HUNTINGTON NATIONAL BANK  
Richwood, Kentucky, Paying Agent

By \_\_\_\_\_  
Authorized Agent

Date of Authentication: \_\_\_\_\_

**ASSIGNMENT**

For value received, the undersigned hereby sells, assigns, and transfers unto \_\_\_\_\_ the within Bond and hereby irrevocably constitutes and appoints \_\_\_\_\_ attorney to transfer said Bond on the books kept for registration and transfer of this Bond, with full power of substitution in the premises.

Dated: \_\_\_\_\_

\_\_\_\_\_

Signature Guaranteed By:

Social Security Number or  
other taxpayer  
identification number:

\_\_\_\_\_

\_\_\_\_\_

## EXHIBIT B

### NOTICE OF BOND SALE

The County of Hopkins, Kentucky (the "County"), will, until the hour of \_\_\_\_\_ A.M./P.M. C.D.T. on July 6, 2005, receive in the County Judge/Executive's Office of the Hopkins County Courthouse, Madisonville, Kentucky, sealed competitive bids for the purchase of \$10,795,000 (subject to an adjustment upward or downward in an amount not to exceed \$1,075,000) "County of Hopkins, Kentucky General Obligation Bonds (Detention Facility Project), Series 2005", dated June 1, 2005 (the "Bonds"), maturing on February 1 of the years 2006 to 2020, inclusive, as set forth in the Official Statement. Minimum bid is \$10,579,100.

Bids will be opened by the County Judge/Executive of the County, at the time stated above and will be acted upon by the County Judge/Executive on the same date immediately following the bid opening.

The Bonds are to be issued subject to the approving legal opinion of Bond Counsel, Rubin & Hays, Louisville, Kentucky. The Bonds are offered for sale on the tax-exempt basis as described in the Official Statement. Use of Bid Form and 2% good faith deposit is required. Right to reject any and all bids and to waive formalities is reserved. Other bidding conditions and terms of the offering are contained in the Official Terms and Conditions of Bond Sale, which, together with the Bid Form and the Official Statement of the Issuer, may be obtained from the Issuer's Financial Advisor, First Kentucky Securities Corporation, 305 Ann Street, Suite 400, Frankfort, Kentucky 40602-0554.

## EXHIBIT C

### OFFICIAL TERMS AND CONDITIONS OF BOND SALE

**1. Date and Hour of Award.** The County of Hopkins, Kentucky (the "County") will, until \_\_\_\_\_ A.M./P.M. (C.D.T.) on July 6, 2005, receive in the office of the County Judge/Executive, Hopkins County Courthouse, Madisonville, Kentucky 42431, sealed competitive bids for the purchase of Ten Million Seven Hundred Ninety-Five Thousand Dollars (\$10,795,000) [subject to an adjustment upward or downward by an amount not to exceed \$1,075,000] principal amount of its County of Hopkins, Kentucky General Obligation Refunding Bonds (Detention Facility Project), Series 2005, dated June 1, 2005 (the "Bonds"), maturing on February 1 of the years 2006 to 2020, inclusive, as set forth in the Official Statement. Minimum bid is \$10,579,100 (98%). Bids will be opened by the County Judge/Executive of the County, at the time stated above and will be acted upon by the County Judge/Executive on the same date immediately following the bid opening.

**2. Description and Maturities of Bonds.** The Bonds shall bear interest from June 1, 2005, or the first day of the month in which the Bonds are sold, payable semiannually, on February 1 and August 1 of each year, beginning on February 1, 2006, shall be in the denomination of \$5,000 or any multiple thereof within the same maturity (as designated by the Purchasers), are numbered R-1 and upward, and will be scheduled to mature on February 1 in each of the respective years as set forth in Exhibit A attached hereto.

The Bonds are to be issued in fully registered form (both principal and interest). The Huntington National Bank, Richwood, Kentucky, the Registrar, Transfer Agent, and Paying Agent, will mail a check by regular United States mail postmarked not later than the interest due date representing interest payments semiannually to each Bondowner of record on the fifteenth day of the month preceding the due date. Principal will be paid upon submission of matured (or called) bonds to the Paying Agent. Upon submission of proper assignment, the Transfer Agent will transfer ownership of Bonds within three (3) business days of receipt without expense to the Bondowner.

**3. Optional Redemption.** The Bonds maturing on or after February 1, 2015, shall be subject to redemption, in whole or in part, in advance of maturity, at any time on or after February 1, 2014, (less than all Bonds of a single maturity to be selected in such manner as the Paying Agent may determine) upon payment of 100% of the principal amount to be redeemed plus accrued interest to the date of redemption.

**4. Authority and Purpose.** The Bonds have been authorized by an Ordinance (the "Ordinance"), duly enacted by the Fiscal Court of the County, under authority of Chapter 58 of the Kentucky Revised Statutes (the "Act"), for the purpose of providing funds necessary to advance refund the outstanding Hopkins County General Obligation Bonds (Detention Facility Project), Series 2000, maturing on February 1, 2006 through 2020, inclusive (the "Series 2000 Bonds").

**5. Legal Opinion.** The Bonds are offered for sale on the basis of the principal of the Bonds not being subject to Kentucky ad valorem taxation and on the basis of interest on the Bonds, with

certain exceptions, not being subject to federal or Kentucky income taxation on the date of their delivery to the successful bidder, and subject to the final approving Legal Opinion of Rubin & Hays, Municipal Bond Attorneys, Louisville, Kentucky, based on the assumption that the County complies with the covenants made by the County with respect to compliance with the provisions of the Internal Revenue Code of 1986, as amended (the "Code"), and based on the assumption of compliance by the County with the requirements as to rebate (and reports with reference thereto) to the United States of America of certain investment earnings on the proceeds of the Bonds, if such requirements become applicable to such Bonds. Based on the foregoing assumptions, Bond Counsel is of the opinion that the Bonds are not "arbitrage bonds" within the meaning of Section 148 of the Code. The Purchaser will be furnished said Opinion, printed bond forms, and the usual closing documents, which will include a certificate that there is no litigation pending or threatened at the time of delivery of the issue affecting the validity of the Bonds.

In order to assure Purchasers of the Bonds that interest thereon will continue to be excludable from gross income for federal and Kentucky income taxation (subject to certain exceptions set out below), the County covenants to and with the owners of such Bonds that (1) the County will take all actions necessary to comply with the provisions of the Code, (2) the County will take no actions which will violate any of the provisions of the Code, or would cause the Bonds to become "private activity bonds" within the meaning of the Code, (3) none of the proceeds of the Bonds will be used for any purpose which would cause the interest on the Bonds to become subject to federal income taxation, and the County will comply with any and all requirements as to rebate (and reports with reference thereto) to the United States of certain investment earnings on the proceeds of the Bonds.

The County certifies that these Bonds are not "private activity bonds" within the meaning of the Code, and the County has been advised by Bond Counsel and therefore believes that interest on the Bonds is not included as an item of tax preference in calculating the alternative minimum tax for individuals.

The County is further advised that the exemption from income taxation by the United States of America of interest on the Bonds is subject to the following exceptions:

1. For purposes of the alternative minimum tax imposed on corporations (as defined for federal income tax purposes), interest on the Bonds is taken into account in determining adjusted current earnings;
2. With respect to insurance companies subject to the tax imposed by Section 831 of the Code, Section 832(b)(5)(B)(i) reduces the deduction for loss reserves by 15% of the sum of certain items, including interest on the Bonds;
3. Interest on the Bonds earned by certain foreign corporations doing business in the United States of America could be subject to a branch profits tax imposed by the Code;

4. Passive investment income, including interest on the Bonds, may be subject to federal income taxation under Section 1375 of the Code for Subchapter S corporations that have Subchapter C earnings and profits at the close of the taxable year if greater than 25% of the gross receipts of such Subchapter S corporation is passive investment income;
5. Section 86 of the Code requires recipients of certain Social Security and certain Railroad Retirement benefits to take into account, in determining the taxability of such benefits, receipts or accruals of interest on the Bonds.

If, prior to the delivery of the Bonds, any event should occur which alters the tax-exempt status of the Bonds, the Purchaser shall have the privilege of voiding the purchase contract by giving immediate written notice to the County, whereupon the amount of the good faith deposit of the purchaser will be returned to the Purchaser, and all respective obligations of the parties will be terminated.

**6. Bidding Requirements.** The terms and conditions of the sale of the Bonds are as follows:

- A. Bids shall be required to be submitted upon a standard official "Bid Form" in order to provide for the uniformity in submission of bids and ready determinations of the best bid.
- B. A minimum price is required for the entire issue of not less than \$10,579,100, plus accrued interest from the date of the Bonds, June 1, 2005, to the date of delivery.
- C. The determination of the best bid will be made on the basis of all bids submitted for exactly \$10,795,000 of Bonds as offered for sale under the terms and conditions herein specified. The County will, at the meeting which will be held to act upon the receipt of bids for the Bonds, accept or reject such best bid, provided, however, the County reserves the right to increase or decrease the total amount of Bonds sold to such best bidder (in \$5,000 denominations), so that the total amount of bonds awarded to such best bidder will be a minimum of \$9,720,000 or a maximum of \$11,870,000. In the event of any such adjustment, no rebidding or recalculation of the bids submitted will be required. The price at which such adjusted amount of bonds will be sold will be at the same price per \$1,000 of bonds as the price bid in the successful bid per \$1,000 for the \$10,795,000 of Bonds initially offered for sale. The County reserves the right to increase or

decrease individual principal maturities to promote level debt service even if the principal amount of the bond issue is not adjusted.

- D. The successful bidder will be required to deposit with The Huntington National Bank, Richwood, Kentucky, immediately available funds in the amount of \$215,900, prior to the close of business on July 7, 2005, which amount shall represent the good faith deposit. The amount of the good faith deposit will be deducted from the purchase price at the time of delivery of the Bonds.
- E. Bidders for the Bonds may require that a portion of the Bonds be term bonds maturing on one or more dates (the "Term Bonds"); provided, however, that the County may require such Term Bonds to be subject to mandatory redemption by lot at a redemption price of 100% of the principal amount thereof plus accrued interest to the date of redemption on February 1 of the years and in the principal amounts set forth on the Bid Form executed by the County Judge/Executive awarding the purchase of the Bonds to the successful bidder.
- F. Bidders must state an interest rate or rates in a multiple of 1/8, 1/10 or 1/20 of 1%, or both.
- G. There is no limit on the number of different rates which may be specified by any bidder.
- H. Interest rates must be on an ascending scale, in that the interest rate for Bonds of any maturity may not be less than the interest rate stipulated for any preceding maturity.
- (a) All Bonds of the same maturity shall bear the same and a single interest rate from the date thereof to maturity.
- J. The right to reject bids for any reason deemed advisable to the County, and the right to waive any possible informalities, irregularities or defect in any bid which, in the judgment of the County, shall be minor or immaterial, are expressly reserved.
- K. Electronic bids for the Bonds must be submitted through PARITY® and no other provider of electronic bidding services will be accepted. Subscription to the PARITY® Competitive Bidding System is required in order to submit an electronic bid. The County will neither confirm any subscription nor be responsible for the failure of any prospective bidders to subscribe. For the purposes of the bidding

process, the time as maintained by PARITY® shall constitute the official time with respect to all bids whether in electronic or written form. To the extent any instructions or directions set forth in PARITY® conflict with the terms of the Official Terms and Conditions of Bond Sale, this Official Terms and Conditions of Bond Sale shall prevail. Electronic bids made through the facilities of PARITY® shall be deemed an offer to purchase in response to the Notice of Bond Sale and shall be binding upon the bidders as if made by signed, sealed written bids delivered to the County. The County shall not be responsible for any malfunction or mistake made by or as a result of the use of the electronic bidding facilities provided and maintained by PARITY®. The use of PARITY® facilities are at the sole risk of the prospective bidders. For further information regarding PARITY®, potential bidders may contact PARITY®, telephone (212) 404-8102.

In the event of a system malfunction in the electronic bidding process or at the sole discretion of a bidder, bids must be made on forms which, together with an Official Statement, may be obtained at the office of the Financial Advisor, First Kentucky Securities Corporation, 305 Ann Street, Suite 400, Frankfort, Kentucky 40602-0554, telephone (502) 875-4611. Bids must be enclosed in sealed envelopes marked "Bid for County of Hopkins, Kentucky General Obligation Refunding Bonds (Detention Facility Project), Series 2005, dated June 1, 2005" and bids must be received by the County Judge/Executive prior to the date and hour stated above.

- L. It shall be the responsibility of the purchasers of the Bonds to furnish or cause to be furnished to the Payee Bank/Registrar at least five (5) days prior to the date of delivery of the Bonds, a list of the names, addresses and social security numbers or employer identification numbers of each of the parties to whom the Bonds are to be registered, and the principal amounts and maturities thereof. In the event of the failure to so deliver such list, the Bonds delivered to the purchasers shall be registered in the name or names of such purchasers or their designated representatives appearing as the first name on the successful bid form, or otherwise appropriately designated, and shall be issued in denominations corresponding to the principal amount of each respective maturity, or in the denomination of \$5,000, as shall be determined by the Payee Bank/Registrar.
- M. Delivery will be made in Louisville or Madisonville, Kentucky, at no additional expense other than the charge, if any, of a delivering bank. The purchasers may elect to require delivery elsewhere in the

continental United States, or delivery through a depository trust corporation, provided the purchasers agree to pay any additional expense in connection therewith, such expense to include shipping expense, insurance in transit and the fee of the Depository Trust Corporation. In connection with the issuance of the Bonds, the County will pay for the printing of the Bonds, which will contain the opinion of Bond Counsel.

- N. Upon wrongful refusal of the successful bidder to take delivery of and pay for the Bonds when tendered for delivery, the amount of the good faith deposit shall be forfeited by such bidder, and such amount shall be deemed liquidated damages for such default; provided, however, if said Bonds are not ready for delivery and payment within forty-five (45) days from the date of sale, said bidder shall be relieved of any liability to accept the Bonds hereunder.
- O. The County shall provide to the successful purchaser of the Bonds a final Official Statement in accordance with SEC Rule 15c2-12. Arrangements have been made with the printer of the Preliminary Official Statement, upon submission of completion text, to print a reasonable quantity of final Official Statements in sufficient time to meet the delivery requirements of the successful purchaser under SEC or Municipal Securities Rulemaking Board Delivery Requirements. The costs of printing the final Official Statement will be borne by the County.
- P. The Purchaser will pay the CUSIP Service Bureau charge for the assignment of CUSIP numbers, which numbers will be printed on the Bonds. Neither the failure to print a CUSIP number on any Bond, nor any error with respect thereto, shall constitute cause for failure or refusal by the purchasers thereof to accept delivery of and payment for the Bonds in accordance with the terms of the purchase agreement.
- Q. If the successful bidder desires to obtain insurance guaranteeing the payment of the principal and/or interest on the Bonds, the County agrees that it will cooperate with such successful bidder in obtaining such insurance, but all of the expenses and charges in connection therewith shall be borne by such bidder (with the exception of the costs of a rating by Moody's Investors Service), and the County shall not be liable to any extent therefor.

Bond Counsel has reviewed the information contained in the Official Statement describing the Bonds and the provisions of the Resolution and related proceedings authorizing the Bonds, but

Bond Counsel has not reviewed any of the financial data, computations, tabulations, balance sheets, financial projections and general information concerning the County, and expresses no opinion thereon, assumes no responsibility for same, and has not undertaken independently to verify any information contained therein. Patricia Hawkins, Hopkins County Judge/Executive

**EXHIBIT A**  
**SERIES 2005 BONDS**

<u>Maturity</u> <u>February 1</u>	<u>Principal</u> <u>Amount*</u>
2006	630,000
2007	585,000
2008	595,000
2009	615,000
2010	635,000
2011	655,000
2012	680,000
2013	700,000
2014	725,000
2015	755,000
2016	780,000
2017	805,000
2018	840,000
2019	880,000
2020	915,000

*\*Amounts Subject to Revision*

**EXHIBIT D**

**BID FORM**

Subject to the terms and conditions of Hopkins County, Kentucky providing for the sale of \$10,795,000 (subject to an adjustment upward or downward by an amount not to exceed \$1,075,000) of County of Hopkins, Kentucky General Obligation Refunding Bonds (Detention Facility Project), Series 2005, dated June 1, 2005 or the first day of the month in which the Bonds are sold, and in accordance with the Official Terms and Conditions of Bond Sale, to all of which the undersigned agrees, the undersigned hereby submits the following offer to purchase said Bonds.

We hereby bid for said \$10,795,000\* principal amount of Bonds, the total sum of \$\_\_\_\_\_ (not less than \$10,579,100) plus accrued interest from June 1, 2005 or the first day of the month in which the Bonds are sold, at the following annual rate(s), payable semiannually:

<b>Maturity February 1</b>	<b>Principal Amount*</b>	<b>Interest Rate</b>	<b>Maturity February 1</b>	<b>Principal Amount*</b>	<b>Interest Rate</b>
2006	\$630,000	____%	2014	\$725,000	____%
2007	585,000	____%	2015	755,000	____%
2008	595,000	____%	2016	780,000	____%
2009	615,000	____%	2017	805,000	____%
2010	635,000	____%	2018	840,000	____%
2011	655,000	____%	2019	880,000	____%
2012	680,000	____%	2020	915,000	____%
2013	700,000	____%			

\* *Subject to Adjustment*

Bidder's Term Bonds Option: We hereby elect to specify that all the principal amount of Bonds stated to mature on the following two or more consecutive maturity dates shall be combined to comprise the maturities of Term Bonds indicated below:

Bonds Maturing

February 1, \_\_\_\_ through February 1, \_\_\_\_  
 February 1, \_\_\_\_ through February 1, \_\_\_\_  
 February 1, \_\_\_\_ through February 1, \_\_\_\_

Term Bonds Maturing

February 1, \_\_\_\_  
 February 1, \_\_\_\_  
 February 1, \_\_\_\_

It is understood that the Corporation will furnish the final, approving Legal Opinion of Rubin & Hays, Municipal Bond Attorneys, of Louisville, Kentucky, subject to the provisions as set out in detail in the Official Terms and Conditions of Bond Sale. It is understood that if we are the successful bidder, we will deposit for the account of the County with The Huntington National Bank, Richwood, Kentucky, prior to the close of business on July 7, 2005, a good faith deposit in the amount of \$215,900. The amount of the good faith deposit will be deducted (without interest) from the purchase price at the time of delivery of the Bonds. If we are the successful bidder, we agree to accept and make payment for the Bonds in accordance with the terms of the sale.

Respectfully submitted,

\_\_\_\_\_  
 Name of Firm

By \_\_\_\_\_

Phone No. \_\_\_\_\_

Total interest cost from June 1, 2005 to final maturity \$ \_\_\_\_\_  
Plus discount \$ \_\_\_\_\_  
Net interest cost (Total interest cost plus discount) \$ \_\_\_\_\_  
Net interest cost (i.e. NIC) \_\_\_\_\_ %

The above computation of net interest cost and of average interest rate or cost is submitted for information only and is not a part of this Bid.

**ACCEPTANCE OF BID**

Accepted by Hopkins County, Kentucky, on this July 6, 2005, for a total of \$ \_\_\_\_\_ of Bonds at an adjusted price of \$ \_\_\_\_\_, with the maturities set out below:

Maturity February 1	Principal Amount*	Interest Rate	Maturity February 1	Principal Amount*	Interest Rate
2006	\$ _____	_____%	2014	\$ _____	_____%
2007	_____	_____%	2015	_____	_____%
2008	_____	_____%	2016	_____	_____%
2009	_____	_____%	2017	_____	_____%
2010	_____	_____%	2018	_____	_____%
2011	_____	_____%	2019	_____	_____%
2012	_____	_____%	2020	_____	_____%
2013	_____	_____%			

COUNTY OF HOPKINS, KENTUCKY

By \_\_\_\_\_  
County Judge/Executive

Attest:

\_\_\_\_\_  
County Clerk